
MEMORANDUM

Legislative Fiscal Office
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To: Human Services Subcommittee

From: Laurie Byerly, Legislative Fiscal Office
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Date: June 18, 2015

Subject: HB 5026: Department of Human Services – Vocational Rehabilitation Work Session Recommendations

Department of Human Services – Vocational Rehabilitation

	2011-13 Actual	2013-15 Legislatively Approved	2015-17 Current Service Level	2015-17 LFO Recommended
General Fund	13,756,161	20,866,337	21,226,188	20,694,165
Other Funds	1,877,706	2,324,758	2,388,141	2,320,512
Federal Funds	72,758,146	74,438,950	76,031,436	74,158,866
Total Funds	\$88,392,013	\$97,630,045	\$99,645,765	\$97,173,543
Positions	224	234	234	253
FTE	220.28	229.08	230.28	249.28

Attached are the recommendations from the Legislative Fiscal Office for the Vocational Rehabilitation (VR) program. The LFO recommended budget is less than 1% below the 2013-15 Legislatively Approved Budget. The recommended budget includes the following key budget actions or components:

- Eliminating standard inflation and assuming a 3% higher vacancy rate, allowing \$0.5 million General Fund (\$2.5 million total funds) to be repurposed for other budget needs.
- Adds position authority (19 positions/19.00 FTE) to clear all double filled positions within the program. Funding from special payments, made available by managing costs and client services, have been covering the cost of the doublefills and will be shifted to the personal services expenditure category as part of the adjustment.

LFO notes that this flat funded program budget does not address budget risks that cannot be quantified at this time. These include potential growth in demand for VR services, particularly with respect to the Employment First program, and unknown consequences tied to implementation of Workforce Investment and Opportunity Act (WIOA). Program changes and associated impacts driven by this 2014 federal law, which replaced the Workforce Investment Act of 1998, are still being evaluated by DHS and will likely be ripe for discussion and possibly require budget action during the 2016 Legislative Session.

Adjustments to Current Service Level:

See attached “HB 5026 Work Session” spreadsheet dated 6/18/15.

LFO recommends the Subcommittee approve a 2015-17 DHS Vocational Rehabilitation budget as follows:

\$	20,694,165	General Fund
\$	2,320,512	Other Funds
\$	74,158,866	Federal Funds
	253	Positions
	249.28	FTE

Accept LFO Recommendation

Move the LFO preliminary budget recommendations for Vocational Rehabilitation and HB 5026.

Performance Measures

See attached “Legislatively Proposed 2015-17 Key Performance Measures” form for measures tied to this specific program. An agency-wide report will be presented for review and approval as part of the final action on the DHS budget.

Accept LFO Recommendation

Move the LFO recommendation on Key Performance Measures for Vocational Rehabilitation.

Recommended Changes to Appropriation Bill

The Vocational Rehabilitation budget is part of HB 5026, which is the budget bill for the entire Department of Human Services. The recommended amendments to HB 5026 will be presented after work sessions are completed on all parts of the budget.

DEPARTMENT OF HUMAN SERVICES: VOCATIONAL REHABILITATION
 HB 5026 WORK SESSION

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
2013-15 Legislatively Approved Budget (As of May 2015 Rebalance)	20,866,337	-	2,324,758	74,438,950	-	-	97,630,045	234	229.08	
2015-17 Current Service Level Estimate (at Governor's Budget)	21,226,188	-	2,388,141	76,031,436	-	-	99,645,765	234	230.28	
2015-17 Governor's Budget (GB)	20,694,165	-	2,320,512	74,158,866	-	-	97,173,543	253	249.28	
2015-17 LFO RECOMMENDED BUDGET	20,694,165	-	2,320,512	74,158,866	-	-	97,173,543	253	249.28	

2015-17 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL

1	2015-17 Current Service Level Estimate	21,226,188	-	2,388,141	76,031,436	-	-	99,645,765	234	230.28	
2											
3	Recommendations for Existing Packages										
4	Pkg 090: CFO Analyst Adjustments										
5	Reduce standard inflation	(372,982)	-	(57,929)	(1,322,404)	-	-	(1,753,315)	-	-	Gov's funding strategy
6	Add'l 3% vacancy factor	(159,041)	-	(9,700)	(550,166)	-	-	(718,907)	-	-	Gov's funding strategy
7	Pkg 119: No Cost Position Authority Request	-	-	-	-	-	-	-	19	19.00	Clear DFs, SP → PS, SS
8	Other Recommended Adjustments										
9	None	-	-	-	-	-	-	-	-	-	
10											
11	Total adjustments LFO Rec from CSL	(532,023)	-	(67,629)	(1,872,570)	-	-	(2,472,222)	19	19.00	
12											
13	TOTAL 2015-17 LFO Recommended Budget	20,694,165	-	2,320,512	74,158,866	-	-	97,173,543	253	249.28	
14											
15	\$ Change from 2013-15 Approved	(172,172)	-	(4,246)	(280,084)	-	-	(456,502)	19	20.20	
16	% Change from 2013-15 Approved	-0.83%	-	-0.18%	-0.38%	-	-	-0.47%	8.12%	8.82%	
17	\$ Change from 2015-17 CSL Estimate	(532,023)	-	(67,629)	(1,872,570)	-	-	(2,472,222)	19	19.00	
18	% Change from 2015-17 CSL Estimate	-2.51%	-	-2.83%	-2.46%	-	-	-2.48%	8.12%	8.25%	
19	% Change from 2015-17 Governor's Budget	-	-	-	-	-	-	-	-	-	
20	% Change from 2015-17 Governor's Budget	0.00%	-	0.00%	0.00%	-	-	0.00%	0.00%	0.00%	

Legislatively Proposed 2015–17 Key Performance Measures

Agency: **HUMAN SERVICES, DEPARTMENT of**

Vocational Rehabilitation

Mission: Assisting people to become independent, healthy and safe.

Current KPM #	Proposed KPM #	Legislatively Proposed KPMs	PGM	Agency Request	Most Current Result	Target 2016	Target 2017
1	1	OVRS CLOSED-EMPLOYED – The percentage of Office of Vocational Rehabilitation Services (OVRS) consumers with a goal of employment who are employed.	VR	Approved KPM	60.00	66.00	66.00

LFO Recommendation:

Approve the performance measure with targets as shown.